

EXHIBIT U

WILLIAM KANE

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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

CIVIL ACTION NO: 97-cv-3496 (DRD) (MAS)

WALSH SECURITIES, INC.,
Plaintiff,

vs.

CRISTO PROPERTY MANAGEMENT ET AL.,
Defendants.

2701 N. Rocky Point Dr.
Suite 1200
Tampa, FL 33607
October 5, 2011
10:36 a.m. to 5:08 p.m.

VIDEOTAPE DEPOSITION OF WILLIAM KANE

Taken on behalf of the Plaintiff before PHILIP
RYAN, RPR, Court Reporter, Notary Public in and
for the State of Florida at Large, pursuant to
Plaintiff's Notice of Taking Deposition in the
above cause.

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ALSO PRESENT:

LaJuana Pruitt, videographer

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1 appraisals were completed?

2 A. We would then put it in the package and
3 take the deal up and get it closed with the bank.

4 Q. Okay. Were there -- were there times
5 when deals closed without written appraisals?

6 A. Yes.

7 Q. And how often did that occur?

8 A. That wasn't that often. It was far and
9 few between.

10 Q. Okay. And could you explain how a deal
11 or a land property transaction could close without
12 a written appraisal?

13 A. The -- somebody in the bank would call
14 the appraiser who was doing the property and the
15 appraiser would have to say the appraisal will be
16 there tomorrow or the next day and give them an
17 exact value on what they were bringing it in at.

18 Q. Okay. And did you ever have an instance
19 when a property was closed on with a verbal
20 appraisal but the written appraisal did not match
21 what was verbally told to the bank?

22 A. I'm not 100 percent sure on that. I
23 don't remember that.

24 Q. Okay. And then who paid the appraisers?

25 A. I did. It probably came right out at

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1 closing, if anything. If not, then I would have
2 paid them out of my office.

3 Q. Okay. And then how many people worked
4 in Cristo Properties' offices?

5 A. At one point I had, I think, 12 or 13
6 people on the road. There was probably about 40
7 people.

8 Q. Okay. And when you say "12 or 13 people
9 on the road," what did you mean by that?

10 A. People going out, fixing up houses,
11 getting them ready for appraisals, meeting
12 appraisers. Some stuff I had kept in-house where
13 I didn't turn around and sell it. So they would
14 take care of those properties.

15 Q. Okay. So that -- so you were also doing
16 rehabilitating properties, I guess, or --

17 A. Correct.

18 Q. -- fixing them up?

19 And then what other types of employees did you
20 have in Cristo?

21 A. We had people who were considered
22 buyers. Their job was to go out and find the
23 properties, deal with the realtors, find the right
24 properties, make sure it's going to appraise what
25 we needed it to appraise for, and then come in and

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1 negotiate for the company with the sellers.

2 Q. Okay. And how would they know that it
3 would appraise for what it needed to appraise for?

4 A. They I guess in the end got to know the
5 appraiser. So they would call the appraiser or
6 call me. And if the appraiser gave them a hard
7 time, I'd call the appraiser and go over it with
8 him.

9 Q. Okay. So if an appraiser told you, you
10 could never get a value that you needed on a
11 property, would you buy that property?

12 A. Probably not.

13 Q. Okay.

14 A. Or if it was too late and I got stuck
15 with it, that's why we have stuff in the
16 portfolio, you know, where it -- we had a lot of
17 title problems on stuff because -- so that's how
18 we had wound up with portfolio stuff.

19 Q. Okay. And that's -- that was actually
20 bringing me to my next part of the people involved
21 with this were -- what title agency company did
22 you deal with?

23 A. It was Coastal Title.

24 Q. And who chose them?

25 A. Rick Pepsny.

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1 Q. And do you know why?

2 A. I'm just assuming there was a
3 relationship with them already.

4 Q. Okay. And then what was Coastal Title
5 Agency's part in the land transaction?

6 A. Well, they were to run title, make sure
7 it's clear title and then issue the title
8 insurance policies to the bank.

9 Q. Okay. And would a bank close on -- on
10 the mortgage loans without the title insurance
11 policies?

12 A. No, they had to have the policies.

13 Q. Okay. And then did you ever deal
14 with -- with Coastal Title Agency?

15 A. I had lunch with him one Christmas, but
16 other than that, there was no one-on-one.
17 Everything went through either Pepsny or Yacker.

18 Q. Okay. By Mr. Pepsny, you've said he's
19 an attorney. Who is -- who's Mr. Yacker?

20 A. Mr. Yacker was the attorney that
21 represented Capital Assets and the straw buyers.

22 Q. Okay. And so -- and at some point, what
23 we've seen is that Mr. Yacker stops doing real
24 estate closings and Mr. Anthony Cicalese starts
25 doing them. And it appears that that happens in

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1 the beginning of 1997.

2 Was Mr. Cicalese also representing the Capital
3 Assets and the straw buyers?

4 A. Yes.

5 Q. And how did it come that he began to
6 represent those two parties?

7 A. He was a friend of Gary Grieser's. And
8 I believe that Gary was getting it cheaper, if I'm
9 not mistaken, than Yacker was charging. And he
10 was just -- wanted to switch.

11 Q. Okay. And then we've also deposed a
12 woman named Lorraine King. Do you know who she
13 is?

14 A. Yes. She was the paralegal who actually
15 closed over at Yacker's office.

16 Q. Okay. And how did you come to know Miss
17 King?

18 A. From Stanley's office.

19 Q. Okay. I believe she testified that she
20 viewed you as her employer. Is that -- you paid
21 her to -- to close these deals?

22 A. Yeah.

23 Q. And what happened when Mr. Yacker
24 stopped closing the transactions and Mr. Cicalese
25 started closing the transactions?

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1 A. Lory left Yacker's office and went over
2 to Cicalese's office.

3 Q. And Mr. Cicalese testified that without
4 Miss King working on the transactions, he would
5 not get that business. Is that more or less
6 accurate?

7 A. That's possible, yeah.

8 Q. Okay. And so what did Mr. Yacker
9 actually do at the real estate closings?

10 A. Nothing.

11 Q. Okay. And that -- that was because Miss
12 King actually conducted the closings?

13 A. Exactly.

14 Q. Okay. And then how about Mr. Cicalese,
15 what was his involvement at the closings?

16 A. Lory did the closings, Anthony Cicalese
17 did more of the back end or after work, making
18 sure the checks were cut and who they went to,
19 where at Yacker's office, Lory did all that.

20 Q. Okay. And then we also had deposed
21 Mr. Yacker, and he had testified that his trust
22 account was manually done until about 1996 when he
23 said that you had purchased a computer system for
24 him and Miss King kind of took over and ran his
25 trust account.

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1 Is that accurate?

2 A. Yes.

3 Q. Okay. And I'll show you some documents
4 later, Mr. Kane. I'm just trying to get
5 everything down about who was all involved in the
6 fraud.

7 But I notice that in your records that you had
8 produced in the litigation -- and I presume also
9 to the government -- there was a copy of Mr. -- a
10 printout of Mr. Yacker's trust account. And there
11 was also a printout of Mr. Cicalese and
12 Mr. Pepsny's trust accounts.

13 How was it that you came to have copies of
14 their trust account printouts in your records?

15 A. To make sure where the money was going
16 and who was getting what.

17 Q. Okay. So to check up on -- on the
18 attorneys involved?

19 A. Correct.

20 Q. Okay. I think I've covered all the
21 various groups of people in there. And then --
22 oh, I guess our last group of Defendants is
23 actually the title insurance companies. Did you
24 ever have any dealings directly or indirectly with
25 anyone from Coastal -- or sorry, not Coastal --

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1 Commonwealth Land Title Insurance Company, Nations
2 Title Insurance of New York, or Fidelity National
3 Title Insurance?

4 A. What do you mean?

5 Q. Any -- any discussions with -- about any
6 of the transactions with anybody from --

7 A. No.

8 Q. -- any title company?

9 A. No.

10 Q. Okay.

11 A. Just all the mail they sent me.

12 Q. Okay. And -- and then there's two other
13 companies I think I need to ask you about. We've
14 seen Cristo Property Management, Ltd., was your --
15 was the formal name of your company. What was
16 GJL?

17 A. That was just another name under -- what
18 we were doing was, we were going to set up
19 different names. There was a guy by the name of
20 Lloyd Corsi I dealt with when I was buying houses,
21 and he said what you want to do is keep only so
22 many names under a company. This way, people
23 don't see you buying a lot and increase pricings
24 in the area.

25 Q. When you're purchasing the properties?

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1 venturer has the same number but with a little
 2 capital A in parentheses.
 3 Do you know -- and Mr. Agel had testified that
 4 he was trying to keep the title policy clean for
 5 the mortgage bank so that the problems were
 6 involved in the first transaction -- the third
 7 party to yourself -- and then the sale from Cristo
 8 to the joint venturer was then a cleaner
 9 transaction.
 10 A. Okay.
 11 Q. And do you recall any discussion about
 12 that?
 13 A. The only discussion that I remember
 14 briefly and it's vaguely is that, you know, we
 15 were closing 99.9 percent of the properties,
 16 selling them before we were closing them.
 17 Q. Okay. So you were actually selling them
 18 before they were purchased?
 19 A. Correct.
 20 Q. Okay. And that was creating some of the
 21 title problems, I'm sure?
 22 A. Yes.
 23 Q. Okay. And then who came up with the
 24 idea of having the two policies with the same
 25 number, one just designated with the --

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1 A. That, I'm not sure.
 2 Q. Okay. Do you recall any discussions
 3 with Mr. Pepsny about that?
 4 A. Not to my recollection. It's 14 years.
 5 I've gotten old.
 6 Q. All right. Mr. Kane, why don't we -- I
 7 show you a document here.
 8 MR. MAGNANINI: Can we go off the video
 9 for a second?
 10 THE VIDEOGRAPHER: Sure. We are going
 11 off the record. The time is approximately
 12 11:33 a.m.
 13 (Short break.)
 14 THE VIDEOGRAPHER: We're back on the
 15 record at 11:40.
 16 THE WITNESS: They just put us on hold.
 17 THE VIDEOGRAPHER: Oh, they did.
 18 THE WITNESS: Yeah.
 19 THE VIDEOGRAPHER: Shall we go off the
 20 record?
 21 MR. MAGNANINI: I guess we can.
 22 THE VIDEOGRAPHER: Off the record at
 23 11:40.
 24 (Short break.)
 25 THE VIDEOGRAPHER: We're back on the

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1 record at 11:42.
 2 BY MR. MAGNANINI:
 3 Q. Mr. Kane, before I -- I show you Exhibit
 4 WK 1, I have one more question. Earlier you said
 5 that Walsh Securities, the mortgage bank, would
 6 only loan on residential properties which were
 7 considered one to four families; is that correct?
 8 A. Correct.
 9 Q. Okay. And then were the straw buyers
 10 actually going to move into the properties that
 11 they were buying?
 12 A. No.
 13 Q. And what was to happen to the -- the
 14 properties once they were purchased by the straw
 15 buyers?
 16 A. They were to be rented.
 17 Q. Okay. And then so, so -- in the loan
 18 application packets, I guess again to reflect to
 19 the mortgage bank underwriter or somebody that the
 20 property was habitable and was already being
 21 rented, there were leases in some of the
 22 properties?
 23 A. Correct.
 24 Q. And who prepared the leases?
 25 A. Usually my office.

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1 Q. Okay. And how were they prepared? Were
 2 people actually renting the properties --
 3 A. No.
 4 Q. -- at that time?
 5 A. No.
 6 Q. Okay. And how were the leases then
 7 prepared?
 8 A. We'd pick a name from the phone book or
 9 something and prepare a lease.
 10 Q. Okay. And how was the amount of the
 11 rent determined?
 12 A. Determined by the mortgage amount. So
 13 if it was going to be, you know, \$1,500, either it
 14 would be a little bit more or a little bit less,
 15 because they only counted 75 percent of the rental
 16 amount.
 17 Q. Okay. Okay. And then I guess the last
 18 document that I'm going to get to and show you,
 19 but I'll just ask you about was we've seen -- and
 20 we've actually seen recorded and sometimes
 21 recorded ahead of the mortgage issue by Walsh
 22 Securities -- these joint venture agreements.
 23 What was their purpose?
 24 A. That purpose was to protect Gary, so the
 25 people couldn't go around and sell the houses

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1 packet once the loan was closed?

2 A. Well, they kept it in their office in
3 case bank orders came in or the banking
4 department, they had them in their office.

5 Q. Okay. Oh, as a requirement for their
6 license?

7 A. Correct.

8 Q. Okay. And then one last -- I keep --
9 I'll be saying this for a while, and I apologize
10 up-front, but another aspect of these transactions
11 that we've seen have been the -- the documents,
12 the closings would occur in the name of National
13 Home Funding. And why was that?

14 A. To be honest, I'm not 100 percent sure
15 of that. But National, the way they set it up,
16 they got paid more if they closed under their name
17 and then assigned the loans or whatever. They did
18 what they called table funding.

19 Q. What is table funding?

20 A. That's where it closes under the, you
21 know, National's name but really Walsh puts the
22 money up.

23 Q. Okay.

24 A. Or Greenwich Capital or whatever.

25 Q. And I'll represent to you that Greenwich

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1 Capital was a warehouse line for Walsh Securities,
2 and at every closing, the money was Walsh
3 Securities' money that was then wired to either
4 Mr. Yacker or Mr. Cicalese.

5 And my question was, are you aware of any of
6 these, these fraud loans that were closed with
7 NHF's money?

8 A. No, none of them.

9 Q. And so the closing always occurred with
10 money from Walsh Securities, and then the notes,
11 mortgage, deeds, whatever, were assigned by
12 National Home Funding to Walsh Securities?

13 A. Correct.

14 Q. And did you have any involvement with
15 the assignments from NHF to Walsh Securities?

16 A. No.

17 Q. Okay. That was all handled by
18 Mr. Skowrenski or someone at NHF?

19 A. Correct.

20 Q. Okay.

21 MR. MAGNANINI: And then I'd like, Phil,

22 if you would mark this as WK 3.

23 (Whereupon, Exhibit WK 3 was marked for
24 identification.)

25 BY MR. MAGNANINI:

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1 Q. And, Mr. Kane, for the record, I'll
2 state that this is a set of documents that came
3 from your file as well. As you can see, they are
4 Bates stamped WK 10183 and through 10232. And the
5 first document on top is a Fidelity National Title
6 Insurance Company of New York. And it says
7 CT-19995(A). And then it says transaction, Joanna
8 M. White, premises 933 Bangs Avenue.
9 Is that the document you have in front of you?

10 A. Yes.

11 Q. Okay. I'd ask you just to go through
12 this, and I'll represent to you that this entire
13 group of documents was in one file folder in the
14 documents that you had produced. Sorry,
15 Mr. Kane.

16 A. That's okay.

17 Q. What I had wanted to do, what is this --
18 this group of documents?

19 A. Well, first something from the title
20 insurance company, I guess the policy. And then
21 on the back you got the survey and then the loan
22 application, the leases.

23 Q. And these were the -- who completed the
24 loan application? Was it the straw buyer or
25 someone in your --

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1 A. My office.

2 Q. Okay. And then who prepared the leases?

3 A. My office.

4 Q. Okay. And then on Bates stamp WK10203
5 and 4, there's a loan submission sheet.

6 A. Okay.

7 Q. What is this document?

8 A. Well, this we submitted to the bank
9 showing them -- we had to have the -- the
10 application formally typed. And so we had this
11 program that we would use to calculate the LTV --
12 loan to value -- how much they were going to lend,
13 and the borrower's expenses. So if we had to
14 adjust their income, we could use this to tell us
15 what we needed.

16 Q. Okay. And why was it necessary to
17 calculate the loan to value?

18 A. Depending on how much they were
19 lending. Sometimes they were lending 80 percent,
20 sometimes the bank only lent 75 percent.

21 Q. It depended on the program?

22 A. On the program with the bank, yeah.

23 Q. Okay. And then if you flip to pages
24 WK10213 and 214, there is a secondary mortgage
25 loan form, and I believe this is what we had

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1 was, the premiums for the -- for the insurance
2 policies. That was always deducted out, and that
3 was a net, and we worked off the net number.

4 Q. Okay. And so at the end of the day, you
5 thought you had --

6 A. Covered it, yeah.

7 Q. Right. And then -- and what, what
8 happened as a result of this dispute about, about
9 the money?

10 A. If -- to my -- best of my recollection,
11 this was after the case was started, which was I
12 believe --

13 Q. Yeah, it certainly --

14 A. -- these papers came out on June 29th
15 with the newspapers. June 20th was somewhere
16 around the 10th was the subpoenas from the
17 Monmouth County.

18 Q. Correct.

19 A. And then right in that period there, it
20 was the Friday before July 4th of that year, that
21 Tom Joaks and the FBI got involved that Friday.
22 And then at that point, I had no contact with
23 anybody else.

24 Q. Okay. So that's what I was going to --
25 my next question was, did you ever speak to

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1 Mr. Yacker or Mr. Pepsny, who's copied, or
2 Mr. Agel about this issue?

3 A. No.

4 Q. Okay. Mr. Kane, how long do these
5 fraudulent transactions go on for? When do you
6 recall them beginning?

7 A. It would have started with D & Son's
8 into DEK. So I'm going to say middle to late '95,
9 whenever the first deals through DEK were done.

10 Q. Okay.

11 A. And there might have been some D & Son's
12 deals in there also. So that would have been the
13 very beginning.

14 Q. And were those -- so those were deals
15 were actually done when Walsh Securities was owned
16 and operated by Gruntal Financial?

17 A. Right.

18 Q. Back in 1995. So Gruntal was through
19 Walsh Securities, his d/b/a was actually table
20 funding those loans?

21 A. Yes.

22 Q. And then at some point in April of 1996,
23 Robert Walsh buys Walsh Securities, but the loans
24 had already been going in --

25 A. Yes.

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1 Q. -- through Gruntal --

2 A. Yes.

3 Q. -- through DEK

4 A. Yes.

5 Q. Or D & Son's. Okay.

6 And then as far as I've seen, the last loans
7 are done the very beginning of June 1997.

8 A. Okay.

9 Q. And so I don't know if you have an
10 independent recollection of that.

11 A. Well, I remember that at the end, it
12 would have been June, that probably would have
13 been the last day of the month and then the
14 beginning of the next month, and then somewhere
15 between the 10th or whatever, at that point in
16 time, there was already news reporters, you know,
17 going around, and you knew something was coming
18 out.

19 Q. Okay. And do you recall once you --
20 once the news reporters were asking and the
21 subpoenas had been served by Monmouth County, do
22 you recall closing any more loans --

23 A. No.

24 Q. -- through Walsh Securities?

25 A. No.

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1 Q. Okay.

2 MR. MAGNANINI: And then I'd ask if you
3 could mark this, Phil, as WK 21.

4 (Whereupon, Exhibit WK 21 was marked for
5 identification.)

6 Q. I don't know if it will help my next
7 question, but I'll try. Mr. Kane, if you can take
8 a look at what we've marked as WK 21, which is
9 four pages which were produced by you, as you see,
10 WK 9 through 12.

11 Could you tell me, have you seen this document
12 before?

13 A. No. I mean, we might have done it for
14 something. I don't know when it was produced. I
15 don't know whether we produced it for my attorneys
16 or -- or what.

17 Q. What I was going to ask you about it was
18 how did you keep track internally of -- of all the
19 loans that you had closed, all the properties you
20 had purchased, the properties you had sold, of the
21 payments that needed to be made on them? How was
22 that --

23 A. Well, as far as payments to be made on
24 them, that was out of my hands when they went over
25 to Grieser.

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1 a break?

2 THE WITNESS: No.

3 MR. MAGNANINI: He wants to get done.

4 CROSS-EXAMINATION

5 BY MR. HAYES:

6 Q. This is Ed Hayes. I represent Nations
7 Title and Fidelity National Title. Although I
8 know Mr. Magnanini was providing you with some
9 instructions prior to the start of the deposition,
10 the only one that I want to repeat is to try to
11 allow me to finish asking my question,
12 particularly in light of the fact that we're doing
13 this over the phone. It will make it very
14 difficult for us to hear your answers and
15 difficult for the court reporter to take us both
16 down if we're both speaking at the same time.

17 Is that okay with you?

18 A. Yes, sir.

19 Q. Mr. Kane, what, if anything, did you do
20 to prepare for this deposition?

21 A. Nothing.

22 Q. Did you meet with Mr. Magnanini?

23 A. I met him this morning.

24 Q. Did you have conversations with him
25 regarding the subject matter of the deposition?

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1 A. Just to the fact that we'd be going over
2 stuff. Nothing -- we didn't talk about anything
3 in particular at all. We had a cup of coffee for
4 10 minutes, 15 minutes maybe, 20 minutes, and then
5 I followed him out here.

6 Q. Do you recall, Mr. Kane, being deposed
7 in this case back in 1997, two days?

8 A. I remember one day. If you say it's
9 two, yes.

10 Q. Was April and May of 2007, I believe.

11 MR. MAGNANINI: Ed, you had said 1997.

12 MR. HAYES: Oh, I'm sorry. 2007.

13 BY MR. HAYES:

14 Q. There's some indication that the court
15 reporter sent you a copy of the transcripts from
16 each of those days of the depositions. Do you
17 recall receiving them?

18 A. Anything's possible.

19 Q. Do you recall reviewing them at any
20 time?

21 A. No.

22 Q. Is it fair to say that you've reviewed
23 nothing in connection with this case for the last
24 three or four years at a minimum?

25 A. That's correct.

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1 Q. Would it be fair to say that your
2 recollection of the events was probably better in
3 2007 than they are today, Mr. Kane?

4 A. A hundred percent.

5 Q. Did I hear you testify initially that
6 you actually had a real estate franchise,
7 Mr. Kane?

8 A. That is correct.

9 Q. Were you a licensed real estate broker?

10 A. That is correct.

11 Q. And then at some point in time when you
12 got involved in the rehabilitation of homes, did
13 you obtain either a mortgage solicitor's or
14 mortgage originator's license?

15 A. Mortgage solicitor's license.

16 Q. Initially I believe you were placing
17 loans through Selective as opposed to NHF?

18 A. That is correct.

19 Q. At that time, sir, did you have your
20 license through Selective?

21 A. No, sir.

22 Q. Did you have a license independently at
23 that point in time?

24 A. No, sir.

25 Q. Did you have any license at all when you

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1 were with Selective?

2 A. No. And can I clarify something?

3 Q. Sure.

4 A. I didn't work for Selective at that
5 point in time. They did the loans for us, just
6 like I was an independent person. So I never got
7 paid or had a solicitor's license or had a desk
8 there.

9 Q. And you testified previously that at
10 some point in time you recognized that you could
11 get a better deal with NHF by placing the loans
12 through NHF. Is that a fair statement?

13 A. That's a fair statement.

14 Q. And from the point in time when you
15 obtained your license through NHF, did all of the
16 loans that you were involved with, Mr. Kane, get
17 submitted through NHF?

18 A. Yes, sir.

19 Q. And you testified in the prior
20 deposition on numerous occasions that you worked
21 for NHF. Did you consider yourself to work for
22 that entity?

23 A. I was an independent contractor, yes.

24 Q. Now, is it fair to say that in these
25 transactions, Mr. Kane, you wore different hats?

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1 A. That is correct.
 2 Q. And with one hat, you were the principal
 3 of Cristo Property; correct?
 4 A. Yes, sir.
 5 Q. And Cristo Property was the entity that
 6 was going out and finding properties to buy that
 7 would ultimately be flipped, correct?
 8 A. Yes, sir.
 9 Q. Was the intent at the beginning,
 10 Mr. Kane, that properties would be bought at a
 11 certain price, they would be improved or
 12 rehabilitated in some way and then sold to third
 13 parties at a profit?
 14 A. Yes, sir.
 15 Q. And Mr. Grieser's role in this was to
 16 actually rehabilitate the properties?
 17 A. Yes, sir.
 18 Q. And your role was to find the properties
 19 that would be purchased for rehabilitation
 20 purposes?
 21 A. Yes, sir.
 22 Q. And whose job was it, Mr. Kane, to find
 23 the buyers?
 24 A. Mr. Grieser's.
 25 Q. And did I understand your testimony

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1 correctly that you would find a particular
 2 property, determine what the cost to rehabilitate
 3 it would be, and then based on that cost plus the
 4 profit that you hoped to make, a sale price would
 5 be determined?
 6 MR. MAGNANINI: Objection to form. You
 7 can answer, though.
 8 THE WITNESS: Yes. Adding in money for
 9 Gary and for the construction, yes.
 10 BY MR. HAYES:
 11 Q. And then you would go out to see whether
 12 or not appraisals would warrant that sale price;
 13 correct?
 14 A. Correct.
 15 Q. Now, with all of the activities that you
 16 engaged in of finding properties and purchasing
 17 properties, you were acting as William Kane, a
 18 principal of Cristo Property; correct?
 19 A. I would assume. That might be a
 20 technical question. I'm not aware whether I can
 21 answer or not but --
 22 Q. From the standpoint of what hat you were
 23 wearing in finding properties and acquiring the
 24 properties, that hat was a Cristo hat, was it not?
 25 A. Correct.

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1 Q. And in connection with the mortgage
 2 monies that were necessary for the third parties
 3 to buy the property, you did play some role in
 4 that process as a mortgage solicitor; correct?
 5 A. Correct.
 6 Q. And in that process, you would, to
 7 summarize, put together the loan package that was
 8 necessary to submit to Walsh?
 9 A. Correct.
 10 Q. And that would include a loan
 11 application, the employment information, asset
 12 information, correct?
 13 A. Correct.
 14 Q. And when you were putting that
 15 information together, you were wearing your hat as
 16 an independent contractor for NHF; correct?
 17 A. Correct.
 18 MR. MAGNANINI: Objection to form.
 19 MR. HAYES: While the package was -- I'm
 20 sorry, Bob?
 21 MR. MAGNANINI: Yeah. I was just
 22 objecting to the form, Ed.
 23 BY MR. HAYES:
 24 Q. The loan package that was submitted to
 25 Walsh was submitted on behalf of NHF; correct,

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1 Mr. Kane?
 2 A. Correct.
 3 Q. And can I assume, Mr. Kane, that you
 4 expected someone at Walsh to review the
 5 information that was contained in the loan package
 6 to see whether or not it met guidelines?
 7 A. Correct.
 8 Q. And those guidelines were guidelines
 9 that you had received from personnel at Walsh so
 10 that you would know what loan packages they had
 11 available; correct?
 12 A. Correct.
 13 Q. Did you understand, Mr. Kane, that Walsh
 14 had certain underwriting guidelines?
 15 A. Correct, yes.
 16 Q. And do you recall testifying in your
 17 prior deposition that you had submitted loans to
 18 Walsh that did not meet their underwriting
 19 standards?
 20 A. Probably said that, yes.
 21 Q. And do you recall testifying previously
 22 that those loans got processed anyway?
 23 A. I don't remember my testimony. But if
 24 they got processed, either -- we must have made
 25 them fit their guidelines.

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